

Memo

From: **Terry Whiteside**
To: **Montana Wheat & Barley Committee**
Date: February 29, 2008
Re: **Transportation Report**



NASDA APPROVES SUPPORT FOR RAIL COMPETITION LEGISLATION

Ron De Yong, Director of Montana Department of Agriculture together with Terry Whiteside, Chairman of the Alliance for Rail Competition working with the National Association of State Departments of Agriculture (NASDA) garnered support for the rail competition legislation moving through Congress. NASDA met earlier this month and recognizing agriculture's need for safe, efficient and economical rail infrastructure system, the organization passed authorization letters to Congressional leaders for support of the rail competition legislation moving through Congress.

"Rail transportation remains a critical component to the agriculture industry as it moves commodities to domestic and international markets from producers in rural America. We, the elected and appointed members of the National Association of State Departments of Agriculture, continue to support a safe, efficient, and economical rail infrastructure system. However, lack of competition among the railroads has resulted in unreasonably high rates and unreliable service for agriculture producers. Today, with the massive concentration in the rail industries in the 1980's and 1990's, entire states, whole regions and even complete industries have become captive to a single railroad."

"HR 2125 is critically important to ensure that rail customers have access to competitive rail service and that those rail customers in areas without competition retain access to reliable rail service and are protected from unreasonable railroad rates and practices. The legislation also includes provisions such as final offer arbitration, which is especially important to agriculture because grain producers and marketers have no ability to pass costs on to customers in the form of higher prices when transportation costs are raised arbitrarily."

"This legislation is supported by the Alliance for Rail Competition which includes the Agricultural Ocean Transportation Industry, the American Chemistry Council, American Public Power Association, Consumers United for Rail Equity, the Edison Electric Institute, National Association of Wheat Growers, National Barley Growers Association, National Petroleum Refiners Association, National Rural Electric

Cooperative Association, Paper and Forest Industry Transportation Committee and the United Transportation Union.”

“We want to lend our strong support to your continued efforts to bring fairness to the marketplace and to ensure agriculture access to safe, reliable and competitive railroad service in this ever increasingly competitive global marketplace.”



The National Association of State Departments of Agriculture (NASDA)
1156 15th Street, N.W., Suite 1020
Washington, D.C. 20005
202-296-9680 e-mail nasda@nasda.org
<http://www.nasda.org/>
President Roger Johnson, North Dakota Department of Agriculture

February 26, 2008

The Honorable James L. Oberstar, Chairman
Committee on Transportation and Infrastructure
2365 Rayburn House Office Building
Washington, D.C. 20515-2308

Dear Chairman Oberstar:

As an organization representing agricultural producers and industries nationwide, we are writing to express our strong support for policy introduced in the Rail Competition and Service Improvement Act of 2007. We appreciate your introduction, together with 53 co-sponsors, of H.R. 2125 in the 110th Congress. A companion bill, S. 953, was introduced in the Senate with 12 co-sponsors. This indicates the non-partisan nature of, as well as the national interest in, this proposed legislation.

Rail transportation remains a critical component to the agriculture industry as it moves commodities to domestic and international markets from producers in rural America. We, the elected and appointed members of the National Association of State Departments of Agriculture, continue to support a safe, efficient, and economical rail infrastructure system. However, lack of competition among the railroads has resulted in unreasonably high rates and unreliable service for agriculture producers. Today, with the massive concentration in the rail industries in the 1980's and 1990's, entire states, whole regions and even complete industries have become captive to a single railroad.

HR 2125 is critically important to ensure that rail customers have access to competitive rail service and that those rail customers in areas without competition retain access to reliable rail service and are protected from unreasonable railroad rates and practices. The legislation also includes provisions such as final offer arbitration, which is especially important to agriculture because grain producers and marketers have no ability to pass costs on to customers in the form of higher prices when transportation costs are raised arbitrarily.

This legislation is supported by the Alliance for Rail Competition which includes the Agricultural Ocean Transportation Industry, the American Chemistry Council, American Public Power Association,

Consumers United for Rail Equity, the Edison Electric Institute, National Association of Wheat Growers, National Barley Growers Association, National Petroleum Refiners Association, National Rural Electric Cooperative Association, Paper and Forest Industry Transportation Committee and the United Transportation Union.

Thank you for holding productive hearings on this legislation last fall. The bill has significant bipartisan co-sponsorship from members representing agriculture constituencies. We want to lend our strong support to your continued efforts to bring fairness to the marketplace and to ensure agriculture access to safe, reliable and competitive railroad service in this ever increasingly competitive global marketplace.

Sincerely,



Roger Johnson
NASDA President
Commissioner, North Dakota Department of Agriculture



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February 26, 2008

The Honorable Frank R. Lautenberg, Chairman
Senate Commerce, Science and Transportation Subcommittee
On Surface Transportation and Merchant Marine Infrastructure, Safety and Security
324 Hart Senate Office Building
Washington, D.C. 20510-3003

Dear Chairman Lautenberg:

As an organization representing agricultural producers and industries nationwide, we are writing to express our strong support for the Rail Competition and Service Improvement Act of 2007. S. 953 was introduced in the 110th Congress by Senators Dorgan and Rockefeller with 12 co-sponsors. A companion bill, H.R. 2125, was introduced in the House with 53 co-sponsors. This indicates the non-partisan nature of, as well as national interest in, this proposed legislation.

Rail transportation remains a critical component to the agriculture industry as it moves commodities to domestic and international markets from the producers in rural America. We, the elected and appointed members of the National Association of State Departments of Agriculture, continue to support a safe, efficient, and economical rail infrastructure system. However, lack of competition among the railroads has resulted in unreasonably high rates and unreliable service for agriculture producers. Today, with the massive concentration in the rail industries in the 1980's and 1990's, entire states, whole regions and even complete industries have become captive to a single railroad.

S. 953 is critically important to ensure that rail customers have access to competitive rail service and that those rail customers in areas without competition retain access to reliable rail service and are protected from unreasonable railroad rates and practices. The legislation also includes provisions such as final offer arbitration, which is especially important to agriculture because grain producers and marketers have no ability to pass costs on to customers in the form of higher prices when transportation costs are raised arbitrarily.

This legislation is supported by the Alliance for Rail Competition which includes the Agricultural Ocean Transportation Industry, the American Chemistry Council, American Public Power Association, Consumers United for Rail Equity, the Edison Electric Institute, National Association of Wheat Growers, National Barley Growers Association, National Petroleum Refiners Association, National Rural Electric Cooperative Association, Paper and Forest Industry Transportation Committee and the United Transportation Union.

The Senate Commerce Committee held productive hearings on this legislation last fall. The bill has significant bipartisan co-sponsorship from members representing agriculture constituencies. We want to lend our strong support to your continued efforts to bring fairness to the marketplace and to ensure agriculture access to safe, reliable and competitive railroad service in this ever increasingly competitive global marketplace.

Sincerely,



Roger Johnson
NASDA President
Commissioner, North Dakota Department of Agriculture

CANADIAN WHEAT BOARD (CWB) BACK IN COURT

From Trader's Dispatch February, 2008

On February 26, 2008, a Federal Court of Appeal heard the Canadian government's position on a ruling that upheld the Canadian Wheat Board's monopoly on malting barley sales – no decision yet. Earlier this year, the Conservative government in Canada polled Western Canadian growers to determine their desire for marketing choice versus their legal requirement to sell malting barley to the CWB, which controls sales to malters and export markets. After a majority of the growers voted for choice, the Ottawa government announced it would end CWB's barley monopoly. Although the CWB is actually part of the Canadian government, it filed suit and a federal judge ruled that ending the monopoly requires full legislative approval in the House of Commons. The government appealed that decision leading to the Feb. hearing. "Barley producers have been clear – by a vote of 62 per cent in this year's plebiscite – that they want choice in marketing their own barley," said Gerry Ritz, Minister of Agriculture and Agri-Food and Minister for the CWB, in an official statement. "The Government of Canada is working hard to make sure they have that choice in time for the 2008/09 crop year."

HOUSE JUDICIARY COMMITTEE ANTITRUST TASKFORCE HEARING

On Monday, February 25th, the House Judiciary Committee Antitrust Taskforce held a hearing on H.R. 1650, the Railroad Antitrust Enforcement Act of 2007, which was introduced by Representative Tammy Baldwin (D-WI).